Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

1. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other	5. Lease Serial No. LC031695B
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No. SEMU
	8. Well Name and No. SEMU 154
2. Name of Operator ConocoPhillips Company	9. API Well No. 30-025-35383
3a. Address P.O. Box 51810 Midland, Texas 79710-1810 / 3b. Phone No. *(include area code)* 432-688-6913	10. Field and Pool or Exploratory Area North Hardy Tubb-Drinkard
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 1760' FSL & 2310' FEL, Sec. 30, T20S, R38E	11. Country or Parish, State Lea County, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

ConocoPhillips respectfully request to amend an approved recompletion procedure for the San Andres Formation from 4160-4190 approved 02/02/2009 to include the Grayburg formation with perforations from 3752-4014. A copy of the completion procdure has been attached for further review.

Please note as part of the POD this well work must be completed by 10/01/09.

RECEIVED
JUN 10 2009
HOBBSOCD

APPROVED
JUN 6 2009
JAMES A. AMOS
SUPERVISOR-EPS

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* Justin C. Firkins — Title Regulatory Specialist

Signature — Date 05/15/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title PETROLEUM ENGINEER	Date JUN 12 2009
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Office	

Title 18 U.S.C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

SEMU #154
WBS ELEMENT – WA5.CNM.____
Wellview Well Name – SEMU #154
Re-Completion Procedure

May 7, 2009

Objective: Re-Complete the well in the Grayburg formation.

COPC WI: 50%	COPC NRI: 43.75%	
Well Status: Non-Economic Prod	Well Type: Oil Well	County: Lea
Area: Permian	Field: Warren McKee Simpson	Team: Permian Oil
Venting: Permit not required	Flaring: Permit not required	H_2S: 1500 ppm

Well Control: Class 2 Category 2 (post perforating & post stimulation)

IMPORTANCE OF SAFETY

Safe operations are of utmost importance at all ConocoPhillips properties and facilities. To further this goal, the ConocoPhillips Supervisor at the location shall request tailgate safety meetings prior to initiation of work and also prior to any critical operations. All company, contract, and service personnel then present shall attend these tailgate safety meetings at the location. All parties shall review the proposed upcoming steps, procedures, and potentially hazardous situations. Occurrence of these meetings shall be recorded in the WellView daily report.

History / Justification

The purpose of the proposed project is to recomplete the SEMU #154, a non-economic producer, to the Grayburg. The subject well was originally drilled to 7,900 and completed in the Strawn from 7598-7650' in April 2001. The Strawn was non-commercial. The Drinkard was completed from 6793-6864' in May 2001. The Drinkard was also non-commercial. The well was then recompleted to the Tubb from 6342-6510' and frac'd with 174,560# of sand. The Tubb cum'd 153 BO, & 112,088 Mcf.

An initial rate of 25 BOPD with 50 Mcf/d is projected based upon the initial rates of the offset wells. Economics were performed using an exponential decline rate of 25% per year, a recompletion cost of $335,000, a facilities cost of $148,700, and an operating cost of $12.35/BOE. ConocoPhillips owns a 50% WI and a 43.75% NRI in the SEMU #154 lease. The project yields an ATAX ROR of 18.6% with a NPV at 13% of $26M using Jan 2009 pricing.

SEMU #154
Recomplete to Grayburg Formation

AFE Number: WA5.CNM.____

API Number: 30-025-35383

Field: North Hardy Tubb-Drinkard

Surface Location: 1760' FSL & 2310' FEL, Sec. 30, T-20-S, R-38-E, Lea County, NM

Depths: TD = 7,900' PBTD = 6,715'±

Elevation: GL = 3515' KB =3526'

Casing Data:

Existing & Proposed Casing, Tubing and Packer Information

	OD (in)	Depth (ft)	ID/Drift (inches)	Weight (#/ft)	Grade	Burst (psi)	Burst w/ 1.15 D.F.	Collapse (psi)	Collapse w/ 1.05 D.F.	Volume (Bbls/Ft)
Sur. Csg.	8⅝"	1495'	8.097/7.972	24#	J-55	2950	**2565**	1370	**1304**	.0636
Prod. Csg	5½"	7900'	4.892/4.767	17#	J-55	5320	**4626**	4910	**4676**	.0232
Prod. Tbg	2⅞"		2.441/2.347	6.5#	J-55	7260	**1.20 D.F.**	7680	**1.15 D.F.**	0.00579

Top of Cement: surface Casing Fluid: 2% KCl (0.438 psi/ft)

Proposed Cased Hole Perforations

Formation	Perforations (MD)	F.G.	Perf Feet	SPF	Phase	Holes	Anticipated Reservoir Pressure	Reservoir Temp
Grayburg	3752-3758'	.75	6	2	0°	12	1745	100° F
Grayburg	3767-3772'	.75	5	2	0°	10	1752	100° F
Grayburg	3797-3802'	.75	5	2	0°	10	1766	100° F
Grayburg	3840-3844'	.75	4	2	0°	8	1786	100° F
Grayburg	3856-3862'	.75	6	2	0°	12	1793	100° F
Grayburg	3892-3896'	.75	4	2	0°	8	1810	100° F
Grayburg	3920-3925'	.75	5	2	0°	10	1823	100° F
Grayburg	3959-3964'	.75	5	2	0°	10	1841	100° F
Grayburg	3992-4002'	.75	10	2	0°	20	1856	100° F
Grayburg	4009-4014'	.75	5	2	0°	10	1864	100° F

Correlation Log: Schlumberger Platform Express log dated 3/14/01

Gun Type: 3⅛" High Shot Density, 34JL Ultrajet, HMX 22.7g, (API 19B: Pen – 28.94", EHD - 0.37")

Prepared by: David McPherson: Contract Production Engineer, Panhandle/Permian Group
Mobile: 1(903) 316-4272 Home: 1(903) 894-3547

SEMU #154
Recomplete to Grayburg Formation

GENERAL NOTES

1. No project or task is to be performed unless it can be done safely and without harm to the environment. All work must comply with all State and Federal regulations and with COPC Safety and Environmental Policies.

2. Conduct daily safety meetings and review all procedures with all contractors prior to performing the operation.

3. Report all activity on the Well-View Daily Completion Work-Over Report.

4. Insure contractors are familiar with and comply with all relevant COPC safety/environmental policies.

5. Spills are to be prevented. Utilize a vacuum truck as necessary.

6. **All references to 2% KCl water is powdered 2% KCl.**

7. Throughout the entire completion process, any fluids from the well-bore that are displaced or produced must be sent through the flow-back equipment so that the fluids can be properly disposed.

8. Verify that all pressured lines and fittings meet or exceed the MPSP (Maximum Predicted Surface Pressure) for the treatment lines of **5250** psi for the pressure test during stimulation operations. Maximum treatment pressure during the sand frac will be **4000** psi. MPSP from the zone should not be greater than 2000 psi before & after stimulation operations of the Grayburg zone.

9. Well control for this well will be Class 2, Category 2 before and after stimulation. Expected Shut in Casing Pressures (SICP) before & after stimulation should not exceed 2000 psi

Mid-Continent / Permian / Hobbs East Contact List:

Reservoir Engineer:	D. Pecore	832-486-2145
Production Engineer:	J. Lowder	432-368-1609
Facilities Engineer Tech:	L. Johansen	432-368-1223
Operations Supervisor:	J. Coy	575-391-3127
Projects Planner:	D. Garrett	432-368-1410
Production Foreman:	V. Mackey	575-391-3129

PROPOSED PROCEDURE

1. MIRU workover unit. ND wellhead and NU BOP's and test. Release M1-X packer and POOH with 2⅞" tubing.

2. PU and RIH with 4¾" bit and 5½" casing scraper on 2⅞", 6.5#, J-55 workstring to TOC @ 6715± circulating well clean with 2% KCL water. Do not drill up cement. POOH with casing scraper and drill bit. Stand back 2⅞" workstring. LD casing scraper and drill bit.

3. MIRU Schlumberger wireline. RU 1000 psi lubricator. Hold an on-site Safety meeting – ensure that all sources of stray charge are off including personal cell phones. Correlate with Schlumberger Platform Express log dated 3/14/2001. Test the lubricator to 1000 psi. Zero the depth counters and run in the hole. Set CIBP @ 6300'±. Load and test casing with 9 ppg brine to 500 psi and hold for 30 minutes. Dump 35' of cement on top of CIBP. Perforate the Grayburg from 3752-3758', 3767-3772', 3797-3802', 3840-3844', 3856-3862', 3892-3896', 3920-3925', 3959-3964', 3992-4002', 4009-4014'. Use a 3-1/8" High Shot Density, 34JL Ultrajet, HMX 22.7g, (API 19B: Pen – 28.94", EHD - 0.37") perforating gun (Load the guns with 0° phasing, 2 SPF.)

4. Retrieve the fired guns into lubricator. Close the blind ram and bleed off the lubricator. Lay down the lubricator and guns. Verify that all shots have fired. Report "stabilized" shut-in pressure after perforating in Well View. RDMO wireline and lubricator.

5. PU 3½" workstring and RIH with 5½" packer. Test workstring to 8,000 psi while RIH. Set packer at 3700'±.

6. Spot three 500 bbl clean, lined frac tanks and fill frac tanks with fresh water. Add biocide to the first load of each tank.

7. MIRU Wellhead Isolation Tool and Schlumberger pumping services equipment. RU and test all lines to 7,500 psi and monitor for 5 min. Make sure the pressure does not decrease more that 300 psi over the 5 min. Pressure up casing / tubing annulus to 200 psi and monitor during job.

8. Perform acid ballout with 2500 gals 15% NEFE acid with 125± 1.1 SG bio balls as per attached procedure. Bring rate up to 16 bpm when acid is on perfs. Surge the well 3-4 times to dislodge balls. Shut down for 15 minutes to allow balls to fall.

   Note: It is a ConocoPhillips policy to have shower facilities on location when using acid

9. Fracture treat the Grayburg with 39,000 gal of YF125ST containing 80,000 lbs of 20/40 sand with PropNET per attached treating schedule. Set treating line pop off at 7000 psi. Set pump trips at 6800 psi. Set annulus pop off at 500 psi. Frac at 30± BPM with maximum wellhead treating pressure of 5500 psi.

10. Obtain ISIP. Close Hydraulic Master Valve. RD Schlumberger and wellhead isolation tool.

11. Unseat packer and reverse out any excess sand from tubing if flush volume not achieved. POOH with 5½" packer and 3½" workstring. Lay down 3½" workstring and packer.

12. TIH with 4¾" bit to PBTD at 6265'±. Circulate out any excess sand from frac job. When wellbore is clean, POOH with 2⅞" workstring.

13. Pick up the 2-⅞", 6.5 lb/ft, J-55 tubing string (per Vernon Mackey).

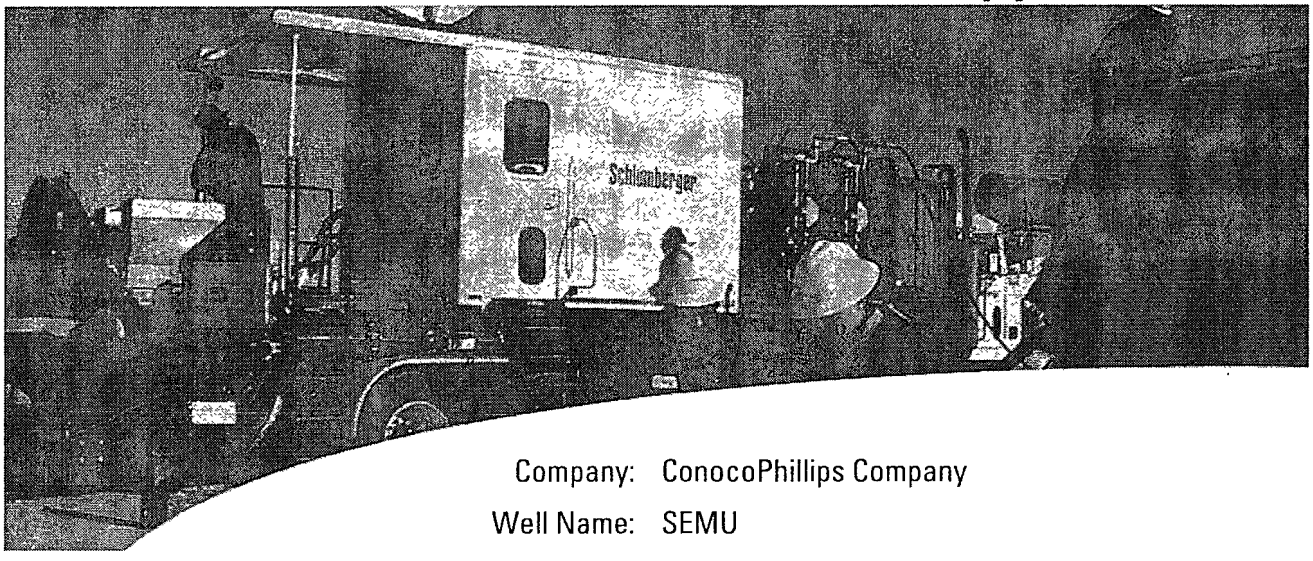
14. Run the production tubing in the hole. Place the EOT at 4045'± with the tubing anchor set at 3702'±. Maintain a dynamic fluid column (DFC) while running tubing. (Trickle some 2% KCl water down the tubing head valve.)

15. ND BOP's and NU wellhead. RIH with pump and rods (per rod design in Well View). Space and hang well on. Load tubing and check pump action.

16. RDMO well service rig. Release any ancillary equipment. Clean up location.

17. Turn well over to Operations. Place well on production. Report well tests on morning report. Place stabilized well test in Field View. Contact chemical representative to place well on corrosion inhibition program. Submit change of status report.

Propped Frac



Company:	ConocoPhillips Company
Well Name:	SEMU
Field:	North Hardy Tubb - Drinkard
County:	Lea
State:	NM
Date:	05-11-2009
Well Location:	Sec. 30, T-20-S, R-38-E
API Number:	30-025-35383
Proposal Number:	1
Contact:	Mr. David McPherson
Made By:	Tyler Pittenger
Service from District:	HOBBS
District Phone:	1 505 393 6186
Objective:	

Schlumberger

EXECUTIVE SUMMARY

Enclosed are our recommendations for Schlumberger intervention on the SEMU #154. The proposal includes well data, design data, materials and resources requirements and cost estimates. The purpose of our services is to perform a Propped Frac treatment.

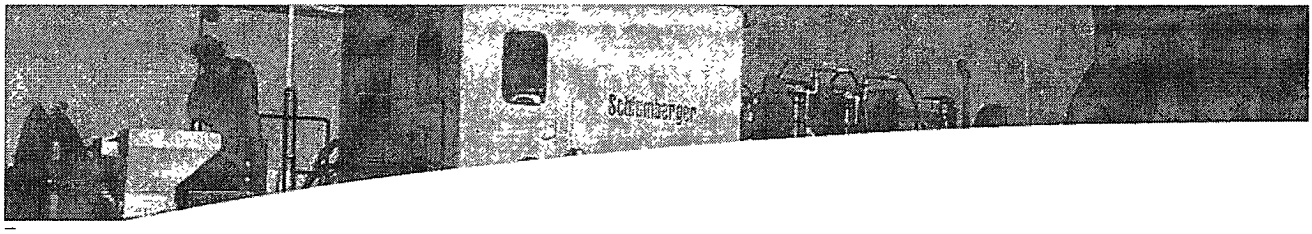
Schlumberger has established a safety policy to which all Schlumberger personnel must adhere. A pre-job safety meeting will be held with ConocoPhillips representatives and other on location personnel to familiarize everyone with existing hazards and safety procedures. We would appreciate close cooperation between the ConocoPhillips representative and the Schlumberger representative to ensure a safe operation.

The estimated total cost of our services is **$ 69,000.00**. All costs are estimates only. Actual costs will be determined by time, material and equipment used during treatment. Taxes are not included. All work will be subject to the terms and conditions of the Master Service Agreement between Schlumberger and ConocoPhillips. This quote is valid for a period of thirty (30) days from the date submitted.

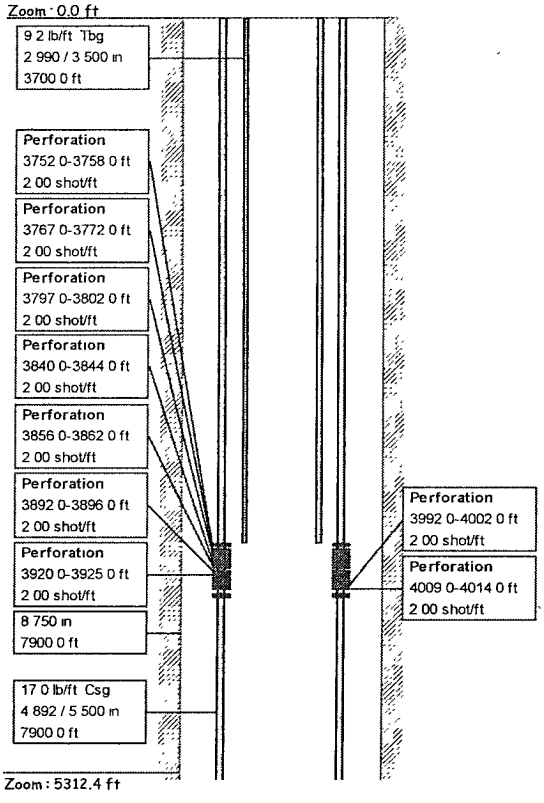
Thank you for considering Schlumberger.
Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Tyler Pittenger
432-688-6059
jpittenger@slb.com



WELL DATA



Casing

OD	ID	Top Depth	Bottom Depth	Weight	Grade
5.500 in	4.892 in	0.0 ft	7900.0 ft	17.0 lb/ft	J55

Tubing

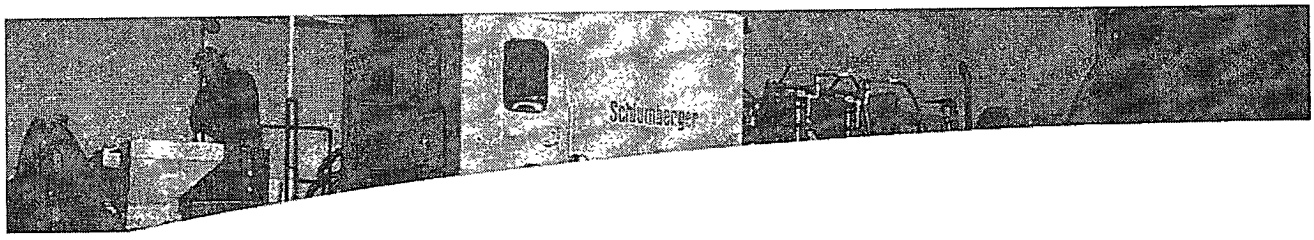
OD	ID	Top Depth	Bottom Depth	Weight	Grade
3.500 in	2.990 in	0.0 ft	3700.0 ft	9.2 lb/ft	H40

Perforations

Treatment Interval: 50 0 ft

Top Depth	Bottom Depth	Shot Density
3752.0 ft	3758.0 ft	2.00 shot/ft
3767.0 ft	3772.0 ft	2.00 shot/ft
3797.0 ft	3802.0 ft	2.00 shot/ft
3840.0 ft	3844.0 ft	2.00 shot/ft
3856.0 ft	3862.0 ft	2.00 shot/ft
3892.0 ft	3896.0 ft	2.00 shot/ft
3920.0 ft	3925.0 ft	2.00 shot/ft
3992.0 ft	4002.0 ft	2.00 shot/ft
4009.0 ft	4014.0 ft	2.00 shot/ft

Schlumberger



PUMPING SCHEDULE

Treatment 1

Stage Name	WH Rate bbl/min	Fluid Name	Stage Volume gal	Gel Conc. lb/mgal	Proppant	Prop. Conc. PPA
Load Well	5.0	WF110_COP_NM	500	10.0		
Acid Ball Ou	8.0	HCl 015_COP_NM	2500	0.0		
Displace	16.0	WF110_COP_NM	5000	10.0		
Shutdown	0.0	WF110_COP_NM	0	10.0		
FET	25.0	WF110_COP_NM	4500	10.0		
FET Analysis	0.0	WF110_COP_NM	0	10.0		
Pad	30.0	YF125ST_COP_NM	14000	25.0		
0.5 PPA	30.0	RCP_YF125ST_COP_NM	2000	25.0	20/40 SuperLC	0.5
1.0 PPA	30.0	RCP_YF125ST_COP_NM	3000	25.0	20/40 SuperLC	1.0
2.0 PPA	30.0	RCP_YF125ST_COP_NM	3000	25.0	20/40 SuperLC	2.0
3.0 PPA	30 0	RCP_YF125ST_COP_NM	5000	25.0	20/40 SuperLC	3 0
4.0 PPA	30 0	RCP_YF125ST_COP_NM	5000	25.0	20/40 SuperLC	4.0
5.0 PPA	30.0	RCP_YF125ST_COP_NM	7000	25.0	20/40 SuperLC	5.0
Flush	30.0	WF110_COP_NM	1400	10.0		

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JOB SUMMARY

Treatment	Perforated Interval	Fluid		Proppant		Gas Type	Gas Total Amount
1		WF110_COP_NM HCl 015_COP_NM YF125ST_COP_NM RCP_YF125ST_COP_NM	11400 gal 2500 gal 14000 gal 25000 gal	20/40 SuperLC	80000 lb		

Schlumberger

MATERIALS SUMMARY

Treatment 1

Fluid Description	Additives		Quantity
WF110_COP_NM	B306 M298L J218 J318 W054	2.5 gal/mgal 0.1 gal/mgal 3.0 lb/mgal 0.5 gal/mgal 2.0 gal/mgal	11400 gal
HCl 015_COP_NM	A264 U042 W054	6 0 gal/mgal 13 0 gal/mgal 2.0 gal/mgal	2500 gal
YF125ST_COP_NM	W054 B306 J218 J318 J475 M298L	2.0 gal/mgal 6.3 gal/mgal 2.0 lb/mgal 0.5 gal/mgal 4 0 lb/mgal 0.1 gal/mgal	14000 gal
RCP_YF125ST_COP_NM	W054 B306 J218 J318 J475 M298L B080	2.0 gal/mgal 6.3 gal/mgal 2.0 lb/mgal 0.5 gal/mgal 4.0 lb/mgal 0.1 gal/mgal 10.0 gal/mgal	25000 gal

Additional Materials

Material Code	Quantity
J554	125 count

Some of the chemicals specified in this program have toxic properties. All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with such Please refer to the MSDS sheets for the recommended safety precautions and required minimum personal protective equipment.

_PRICE ESTIMATE

Equipment and Services

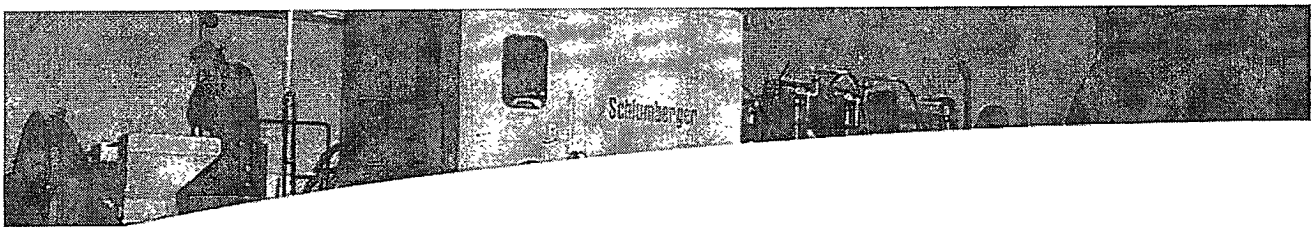
Code	Standard Description	Quantity	Unit List Price	Total List Price $	Discount Rate	Discounted Price $
28021003	Pump, Frac Rated > 1200 hhp Minimum	3 EA	17,200.00	51,600.00	81.0 %	9,804.00
28082000	Chemical Float	1 JOB	982.00	982.00	81.0 %	186.58
28178003	Pump, Frac Rated Over 1200 hhp Standby	1 EA	10,300.00	10,300.00	81.0 %	1,957.00
28373000	Sand Chief First 2 Days	1 DAY	4,710 00	4,710.00	81.0 %	894.90
28480005	Manifold, Frac 0-5000 Psi	2 HR	839.00	1,678.00	81 0 %	318.82
28500021	Blender, Pod 21-30 Bpm	1 EA	7,700 00	7,700.00	81.0 %	1,463.00
29100001	Transportation, Proppant ton-mile	2000 MI	3.49	6,980.00	81.0 %	1,326.20
29111001	Prop Pump Charge </= 20-40 Other Prop	800 CW	3.72	2,976.00	81.0 %	565.44
29112000	Slurry Concentration Service 0-4 ppa	18000 GA	0.17	3,060.00	81.0 %	581.40
29112004	Slurry Concentration Service 4-6 ppa	7000 GA	0.32	2,240.00	81.0 %	425.60
58041009	Transport, Acid	4 HR	294.00	1,176.00	81.0 %	223.44
58080000	Injector, Ball HP Automatic	1 JOB	1,600.00	1,600 00	81.0 %	304.00
59200002	Transportation, Mileage Heavy Vehicles	1100 MI	9.53	10,483.00	81.0 %	1,991.77
59200005	Transportation, Mileage Light Vehicles	100 MI	5.51	551.00	81.0 %	104.69
59680000	Treatment Monitoring Service (TMS)	1 JOB	6,700.00	6,700.00	81.0 %	1,273.00
59684000	Densitometer, HP	1 EA	1,400.00	1,400.00	81.0 %	266.00
101858000	Continuous Mix Slurry	50401 GA	0.25	12,600.25	81.0 %	2,394.05
102496021	PCM Process Unit 21-30 Bpm	1 EA	12,400.00	12,400.00	81.0 %	2,356.00
107014000	Valve, Pressure Relief N2 Control	1 JOB	2,970.00	2,970.00	81.0 %	564.30
107264001	Regulatory Conformance Charge	11 EA	725.00	7,975.00	81.0 %	1,515.25
		Subtotals:		150,081.25		28,515.44

Materials

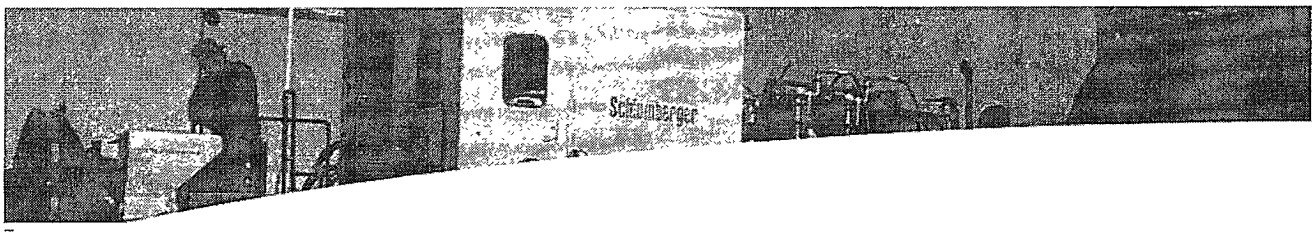
Code	Standard Description	Quantity	Unit List Price	Total List Price $	Discount Rate	Discounted Price $
A264	Inhibitor, Corrosion	15 GA	175.00	2,625.00	81.0 %	498.75
B080	Resin Activator	250 GA	148.00	37,000.00	81.0 %	7,030.00
B306	PSG Polymer Slurry B306	273 GA	114.50	31,258.50	81.0 %	5,939.11
H015	Acid, Hydrochloric 15%	2500 GA	5.94	14,850.00	81.0 %	2,821.50
J218	Breaker	113 LB	15.35	1,734.55	81.0 %	329.56
J318	Breaker, LT	26 GA	84.40	2,194.40	81.0 %	416.94
J475	Breaker, EB-CLEAN«	156 LB	100.30	15,646.80	81.0 %	2,972.89
J554	Ball Sealer, LT Soluble	125 EA	20.35	2,543.75	81.0 %	483.31
J941	WideFRAC 100 ST+ Conversion (Freshwater)	39000 GA	0.52	20,280.00	81.0 %	3,853.20
M298L	Magnacide 575 Microbiocide	3 GA	120 00	360.00	81.0 %	68.40
S074L.1-2040	Proppant, Super LC«, 20-40 Mesh	80000 LB	1.55	124,000.00	78.0 %	27,280.00
U042	Iron Chelating Agent	33 GA	63.60	2,098.80	81.0 %	398.77
W054	Non-Emulsifying Agent	106 GA	135.00	14,310.00	81.0 %	2,718.90
		Subtotals:		268,901.80		54,811 33

Special Discount:	$	14,998.82
Total List Price:	$	418,983.05
Total Discount:	$	350,655.10
Job Price Estimate*:	$	**68,327.95**

Schlumberger



* Please see Executive Summary for further information.



LOAD OUT SUMMARY

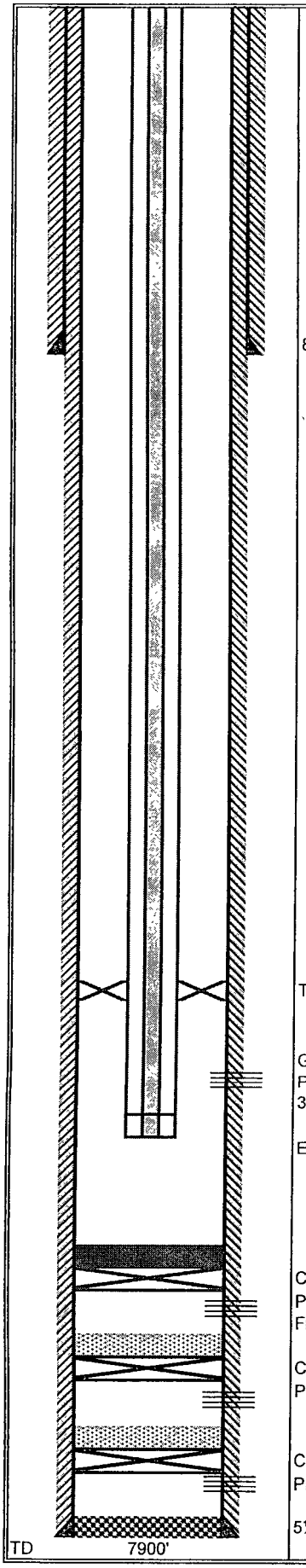
Job				
Fluid/Material Type	**Code**	**Quantity**	**% Excess**	**Load Quantity**
Gelling Agent	B306	272.3 gal	0.0	272.3 gal
Biocide	M298L	2.5 gal	0.0	2.5 gal
Breaker	J218	112 lb	0.0	112 lb
Breaker Aid	J318	25.2 gal	0.0	25.2 gal
Non-emulsifier	W054	105.8 gal	0.0	105 8 gal
Raw Material	H036	948.1 gal	0.0	948.1 gal
Corrosion Inhibitor	A264	15 0 gal	0.0	15 0 gal
Iron Control	U042	32.5 gal	0.0	32.5 gal
Breaker Encapsulated	J475	156 lb	0.0	156 lb
Crosslinker	J532	97.5 gal	0 0	97.5 gal
Activator	B080	250.0 gal	0.0	250.0 gal
20/40 SuperLC	S074L.1-2040	80000 lb	0 0	80000 lb
Ball Sealer	J554	125 count	0.0	125 count

Schlumberger

SEMU #154

PROPOSED WELLBORE DIAGRAM

API #:	30-025-35383				
FIELD:	North Hardy Tubb-Drinkard				
CO ST:	Lea, NM		**AREA:**	Hobbs East	
SECTION:	30	**TOWNSHIP:**	20S	**RANGE:**	38E
LOCATION:	1760' FSL & 2310' FEL				
DATES:	**SPUD:** 2/25/01		**IC:** 4/17/01		
	LATEST RIG WORKOVER:				
	DIAGRAM REVISED:	05/07/09 by D. McPherson			



8⅝" @ 1495', cmt w/ 625 sxs

TAC @ 3702'±

Grayburg
PERFS: 3752-58', 3767-72', 3797-3802', 3840-44',
3856-62', 3892-96', 3920-25', 3959-64', 3992-4002', 4009-14'

EOT @ 4045'±

CIBP @ 6300' w/ 35' cmt on top
PERFS: 6490-6510', 6342-48', 6382-83', 6410-11', 6423-76' (6/5/01) Tubb
Frac'd w/ 134,340# 16/30 SD and 40,220# RC SD

CIBP @ 6750' w/ 35' cmt on top (6/5/01)
PERFS: 6793-6803', 6817-32', 6846-64' (5/30/01) Drinkard

CIBP @ 7550' w/ 35' cmt on top (4/19/01)
PERFS: 7598-7650' (4/17/01) Strawn

5½" @ 7900' cmt w/ 1660 sxs

	CASING				TUBING
Hole Size	12¼"	7⅞"			
Pipe Size	8⅝"	5½"			2⅞"
Weight	24#	17#			6.5#
Grade	J-55	J-55			J-55
Thread					8rd
Depth	1495'	7900'			4045'

ELEVATION:	GR 3515', KB 3526'
TREE CONNECTION:	

Tubing Description	Length	From	To
Elevation	13.00	0.00	13 00
134± jts 2⅞" 6.5# J-55 tubing	3689.00	13.00	3702.00
1 - 5-½ x 2⅞" TAC	4.00	3702.00	3706.00
10± jts 2⅞" 6.5# J-55 tubing	308.00	3706.00	4014.00
1 - SN	1.00	4014.00	4015.00
1 - SOPMA	30.00	4015.00	4045.00

Rod Description	Length	From	To
1 - 1¼" polished rod	22.00	-3.00	19.00
154 - ¾" rods	3850.00	19.00	3869.00
2 - ¾" rods w/ guides	50.00	3869.00	3919 00
3 - 1½" sinker bars	79 00	3919.00	3998.00
1 - pump	16.00	3998.00	4014.00
1 - dip tube	12.00	4014 00	4026.00

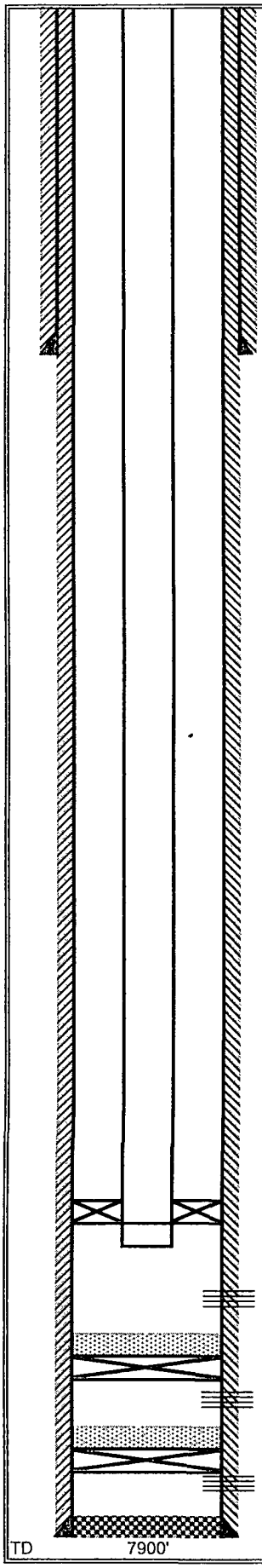
Pump Unit:

COMMENTS

SEMU #154

CURRENT WELLBORE DIAGRAM

API #:	30-025-35383				
FIELD:	North Hardy Tubb-Drinkard				
CO ST:	Lea, NM		**AREA:** Hobbs East		
SECTION:	30	**TOWNSHIP:**	20S	**RANGE:**	38E
LOCATION:	1760' FSL & 2310' FEL				
DATES:	**SPUD:** 2/25/01		**IC:** 4/17/01		
	LATEST RIG WORKOVER:				
	DIAGRAM REVISED: 11/03/08 by D. McPherson				



8⅝" @ 1495', cmt w/ 625 sxs

	CASING				TUBING
Hole Size	12¼"	7⅞"			
Pipe Size	8⅝"	5½"			2⅞"
Weight	24#	17#			6.5#
Grade	J-55	J-55			J-55
Thread					
Depth	1495'	7900'			

ELEVATION: GR 3537', KB ___'
TREE CONNECTION:

Tubing Description	Length	From	To
Elevation	13.00	0.00	13.00
198± jts 2⅞" 6.5# J-55 tubing	6266.00	13.00	6279.00
1 - 5-½ x 2⅞" M1-X packer	8.00	6279.00	6287.00
1 - 2.25" R LN	1.00	6287.00	6288.00
1 - Reentry Guide	1.00	6288.00	6289.00

Rod Description	Length	From	To
None			

Pump Unit:

PERFS: 6490-6510', 6342-48', 6382-83', 6410-11', 6423-76' (6/5/01) Tubb
Frac'd w/ 134,340# 16/30 SD and 40,220# RC SD

CIBP @ 6750' w/ 35' cmt on top (6/5/01)
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CIBP @ 7550' w/ 35' cmt on top (4/19/01)
PERFS: 7598-7650' (4/17/01) Strawn

5½" @ 7900' cmt w/ 1660 sxs

COMMENTS